Government of Pakistan and the late erstwhile Nizam of Hyderabad and his legal heirs to resolve this issue. Government's efforts continue to address this matter.

Regulator for UTI

3117. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that presently there is no direct regulator for Unit Trust of India to keep its activities etc, within its parameters;

(b) if so, the reasons therefor indicating *inter alia* the mechanism to keep its activities particularly investment decision etc. within reasonable limits;

(c) whether in the wake of recent debacle in Unit Trust of India, Government are now actively considering a proposal to bring it under the purview of a regulator; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The Unit Trust of India (UTI) is governed by the UTI Act, 1963 and UTI General Regulations. Under the UTI Act, UTI is managed by a Chairman and a Board of Trustees which supervises the functioning of UTI. UTI is not registered with the regulator, the Securities and Exchange Board of India (SEBI) as a mutual fund. However, following the recommendation made by the Joint Parliamentary Committee constituted in 1993 to enquire into irregularities in securities and banking transactions, an arrangement of voluntary compliance with SEBI's regulations for schemes launched after July 1, 1994 was agreed to by UTI.

Accordingly, all post-1st July 1994 schemes of UTI came under the regulatory jurisdication of SEBI. UTI has been filing offer documents for new schemes with SEBI which communicates its observations for the purpose of adequate disclosures in the offer documents. As regards schemes launched before July 1, 1994, UTI has brought 12 schemes under the voluntary compliance arrangement during the period 1999-2001.

(b) The UTI Act, 1963, UTI General Regulations and the SEBI (Mutual Funds) Regulations, 1996 provide for prudential exposure norms and other investment restrictions. UTI has intimated that the schemes' investment objectives also stipulate norms for limits on various categories of investments. Investment decisions are also subject to the prudent investment norms approved by the Executive Committee and the Board of Trustees from time to time.

(c) and (d) On the suggestion of the Government, UTI set up a Committee on Corporate Positioning under the Chairmanship of Shri Y.H. Malegam, to review its competitive and commercial positioning in the light of financial sector reforms and developments in the mutual funds industry.

UTI has intimated that the Committee is in the process of submitting its report.

Period of deputation of IRS officers

3118. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government had written to CBDT and SEBI not to entertain the requests for extension of term of Indian Revenue Service officers to SEBI as reported in some of the newspapers on 21st April, 2001;

(b) if so, the details thereof and the reasons therefor;

(c) the names of officers belonging to the services controlled by the Ministry who are on deputation to various offices for more than a period of five years;

(d) whether Government propose to similarly write to these offices for not entertaining their requests for extension; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Department of Economic Affairs, on 19th & 20th April, 2001, had advised the Department of Revenue, under intimation to SEBI, not to consider any further extension of deputation of Smt. Anita Kapur, Shri Ashok